

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6131**

**BILL NUMBER: SB 70**

**NOTE PREPARED: Jan 25, 2006**

**BILL AMENDED: Jan 24, 2006**

**SUBJECT:** Charges for Small Consumer Loans.

**FIRST AUTHOR:** Sen. Paul

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) The bill provides that for a supervised loan of at least \$200 but not more than \$1,000, a lender may charge both (1) an origination charge of not more than 10% of the principal amount; and (2) a monthly installment account finance charge based on the amount of the loan instead of the finance charge that otherwise would apply to a supervised loan. It sets forth procedures for refunding the origination charge and the installment account finance charge upon the prepayment in full, refinancing, or consolidation of the loan. It prohibits the lender from (1) making insurance charges or other charges for such supervised loans; and (2) committing certain acts. The bill requires the lender to provide certain information.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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